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# THE WAR REVENUE TAX LAW OF 1914

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# THE WAR REVENUE TAX LAW OF 1914

## CONTAINING

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Taxes . . . . . Page 39

SAN FRANCISCO:  
The Recorder Printing and Publishing Company  
1914

*Leg*

THE RECORDER PUBLISHING COMPANY

## FOREWORD.

Within the past few days President Wilson has signed the Emergency War Tax Act, part of which became effective at once, and all of which will soon be in full force, affecting directly a greater proportion of the public than any tax law since the Spanish-American War.

To meet the demand for information on the subject of this important Act, the Savings Union Bank and Trust Company has issued this pamphlet, containing a complete digest and summary of its provisions, stripped of their legal verbiage, and showing exactly in each case where the tax falls.

For further information concerning the measure, or for fuller explanation of its provisions, persons interested are invited to call upon the

### TRUST DEPARTMENT OF THE SAVINGS UNION BANK AND TRUST COMPANY,

which will seek to facilitate in every way possible an understanding of the Act, pending an official interpretation by the Treasury Department and the courts.

**119854**

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Copies of this pamphlet may be obtained upon application at the Savings Union Bank and Trust Company, Grant Avenue and O'Farrell Street, San Francisco.

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By

SAVINGS UNION BANK AND TRUST COMPANY  
San Francisco, California

784811 93400 337

# A DIGEST AND SUMMARY OF THE EMERGENCY INTERNAL REVENUE ACT

To meet the deficit in the United States Treasury growing out of the shrinkage in customs revenues during the European war, Congress has enacted an Emergency Tax Act, affecting persons and industries in every part of the country.

There is here presented a summary of the Act. In the absence of an official interpretation, we have attempted to make a digest of its main features for the benefit of the public. The full text of the Act should be read carefully, inasmuch as there are numerous special provisions and exceptions affecting many interests.

## **WHEN THE ACT TAKES EFFECT.**

The provisions of the Act imposing an additional tax on beer, and a stamp tax on still and sparkling wines and liqueurs sold or offered for sale, and on grape brandy used to fortify sweet wines, are effective immediately.

The special taxes levied by the Act, which are collectible directly by Internal Revenue officers, are due and payable November 1.

The stamp tax on written instruments and conveyances, and on toilet preparations, will go into effect December 1.

The whole Act is self-repealing on December 31, 1915.

## **NATURE OF THE TAXES IMPOSED.**

According to the persons and things affected, the taxes imposed by the Act may be divided into two main groups: (a) Taxes on Luxuries, and (b) Taxes on Commerce.

The two divisions, further subdivided, and including all of the taxes imposed by the Act, are as follows:

## **TAXES ON LUXURIES.**

### **A. BEERS, WINES AND LIQUEURS.**

Beer, Ale, Porter and other similar fermented liquors.

Still Wines—domestic and imported.

Sparkling Wines—domestic and imported.

Liqueurs and Cordials.

Grape Brandy used in fortifying sweet wines.

### **B. TOBACCO.**

Dealers in Tobacco.

Dealers in Leaf Tobacco.

Manufacturers of Tobacco, Cigars and Cigarettes (tax graded according to volume of business).



**C. AMUSEMENTS.**

Theaters, Museums and Concert Halls.

Circuses.

Other Public Exhibitions.

Bowling Alleys and Billiard Rooms.

Exempt—Chautauquas, Lecture Lyceums, Agricultural or Industrial Fairs or Exhibitions held under the auspices of religious or charitable organizations.

**D. TOILET PREPARATIONS.**

Every packet, box, bottle, pot, phial or other enclosure containing any cosmetic, perfume, dentifrice, hair restorative, or any similar substance or article used or applied as perfume or cosmetic.

Chewing gum or substitute therefor.

**TAXES ON COMMERCE.**

**A. VOCATIONS AFFECTED.**

Bankers.

Brokers.

Commercial brokers.

Commission merchants.

Custom house brokers.

Pawnbrokers.

**B. INSTRUMENTS OF BUSINESS.**

Agreements of sale.

Bills of lading.

Bills of sale.

Bonded warehouse withdrawals.

Bonds, debentures or certificates of indebtedness.

Brokers' notes or memoranda of sale.

Certificates:

Damage.

Profits.

Other certificates.

Conveyances of real estate.

Custom house entries.

Indemnity bonds.

Insurance policies.

Manifests.

Powers of attorney.

Promissory notes.

Protests.

Proxies.

Shipping receipts.

Stock certificates.

Stock sales.

### **C. TRANSPORTATION.**

Palace car—seat tickets.  
Parlor car—seat tickets.  
Sleeping car—berth tickets.  
Steamer tickets to foreign ports costing more than \$10.  
Telephone and telegraph messages on which tolls are 15c or more.

### **SPECIAL TAXES AND WHEN DUE.**

Certain of the taxes imposed by the Act are designated as "Special Taxes", and will be due and payable to the Collector of Internal Revenue on November 1, 1914. The Special Taxes affect the following persons and businesses:

Bankers.  
Brokers.  
Pawnbrokers.  
Commercial brokers.  
Custom house brokers.  
Commission merchants.  
Theaters, museums and concert halls.  
Circuses.  
Proprietors of other public exhibitions.  
Bowling alleys and billiard tables.  
All dealers in tobacco.  
Manufacturers of cigars, cigarettes and tobacco.

### **HOW COLLECTED.**

Certain of the taxes levied by the Act will be received through the sale of stamps, whose use is prescribed on certain documents and articles, and others will be collected directly by the United States Collectors of Internal Revenue in the several districts.

The stamp taxes will be self-collecting, by reason of provisions in the Act which (1) declare null and void any business instrument required to carry a stamp which is not properly stamped; (2) declare forfeit to the United States articles named in the Act as taxable which are offered for sale without stamps; and (3) impose heavy penalties for violations.

In the case of stamps used on business instruments, the Act requires the person affixing same to cancel the stamp by writing across the face thereof his initials and the date. Stamps used to denote the tax paid on toilet preparations must be affixed in such a manner as to destroy them when the package or bottle is opened.

In addition to the special taxes directly receivable by the Collectors of Internal Revenue, these officials are required to receive from telegraph and telephone companies the taxes collected by such utilities from their patrons, as hereinafter described.

### **ARTICLES TAXED AND RATES THEREOF.**

In the following analysis of the Act, each taxable person or thing is set forth in a statement showing the amount of the tax

imposed, how it is collected, and (except in the case of stamp taxes on business instruments and toilet preparations) from whom:

## **"TAXES ON LUXURIES."**

### **A. BEERS, WINES AND LIQUEURS.**

1. **Beer and similar fermented liquors;** the present internal revenue tax on beer brewed or manufactured and sold, or stored in warehouse, or removed for consumption or sale, is increased from \$1.00 to \$1.50 per barrel of 31 gallons or less. Until new stamps are provided, and for beer in warehouses that has already paid the normal tax, the Act provides for the collection of the additional tax "in the manner now provided by law for the collection of taxes not paid by stamp".

2. **Still Wines, domestic and imported;** these are liable to tax when sold or offered for consumption, when each bottle or other container must bear a stamp in the following amounts, according to size:

One-quarter pint .....	¼ cent
One-half pint .....	½ cent
One pint .....	1 cent
One quart .....	2 cents
In other containers (per gallon) .....	8 cents

Responsibility for affixing stamps falls upon the retail dealer, and the selling or offering for sale of any bottle or other vessel containing wine to which a stamp is not affixed will be prima facie evidence that the tax has not been paid.

3. **Sparkling Wines, Domestic and Imported;** the same conditions as regards the tax on still wines are applicable, except the amounts of the tax, which are as follows:

One-half pint bottle, or less .....	5 cents
One pint bottle .....	10 cents
One quart bottle .....	20 cents
Other containers at rate of (per quart) .....	20 cents

4. **Liqueurs and Cordials, Domestic and Imported;** the same conditions apply as to still and sparkling wines, except as to rates, which are as follows:

One-half pint bottle .....	1½ cents
One pint bottle .....	3 cents
One quart bottle .....	6 cents
Other containers at rate of (per gallon) .....	24 cents

4. **Grape Brandy Used to Fortify Sweet Wines;** tax collected by Internal Revenue Collector from manufacturers of such sweet wines, at the rate of 55 cents a gallon for each taxable gallon of grape brandy or wine spirits so used.

(Note: Sections 42, 43, 45, 46 and 49 of the Act of

October 1, 1890, and Sections 3 and 6 of the Act of June 7, 1906, all relating to the use and recovery of brandy spirits in the manufacture of sweet wines are amended to facilitate the collection of the tax.)

**B. TOBACCO.**

**1. Manufacturers of Tobacco, Cigars and Cigarettes; subject to annual tax graduated as follows:**

Tobacco manufacturers, annual sales 100,000 lbs. or under .....	\$6
Tobacco manufacturers, annual sales 100,000 to 200,000 lbs. ....	12
Tobacco manufacturers, annual sales 200,000 to 400,000 lbs. ....	24
Tobacco manufacturers, annual sales 400,000 to 1,000,000 lbs. ....	60
Tobacco manufacturers, annual sales 1,000,000 to 5,000,000 lbs. ....	300
Tobacco manufacturers, annual sales 5,000,000 to 10,000,000 lbs. ....	600
Tobacco manufacturers, annual sales 10,000,000 to 20,000,000 lbs. ....	1,200
Tobacco manufacturers, annual sales in excess of 20,000,000 lbs. ....	2,496
Cigar manufacturers, annual sales 100,000 cigars or under .....	3
Cigar manufacturers, annual sales 100,000 to 200,000 cigars .....	6
Cigar manufacturers, annual sales 200,000 to 400,000 cigars .....	12
Cigar manufacturers, annual sales 400,000 to 1,000,000 cigars .....	30
Cigar manufacturers, annual sales 1,000,000 to 5,000,000 cigars .....	150
Cigar manufacturers, annual sales, 5,000,000 to 20,000,000 cigars .....	600
Cigar manufacturers, annual sales 20,000,000 to 40,000,000 cigars .....	1,200
Cigar manufacturers, annual sales in excess of 40,000,000 cigars .....	2,496
Cigarette manufacturers, annual sales 1,000,000 cigarettes or under.....	12
Cigarette manufacturers, annual sales 1,000,000 to 2,000,000 cigarettes.....	24
Cigarette manufacturers, annual sales 2,000,000 to 5,000,000 cigarettes.....	60
Cigarette manufacturers, annual sales 5,000,000 to 10,000,000 cigarettes.....	120
Cigarette manufacturers, annual sales 10,000,000 to 50,000,000 cigarettes.....	600
Cigarette manufacturers, annual sales 50,000,000 to 100,000,000 cigarettes.....	1,200

Cigarette manufacturers, annual sales above 100,-

000,000 cigarettes ..... 2,496

(Note: The amount of the tax in each instance is computed on the basis of the annual sales for the preceding fiscal year.)

The tax on tobacco dealers and manufacturers is payable to the Collector of Internal Revenue in each district on November 1.

2. Dealers in Leaf Tobacco; subject to annual tax graduated according to the following table:

Annual sales, 50,000 lbs. or under..... \$6

Annual sales, 50,000 to 100,000 lbs..... 12

Annual sales above 100,000 lbs..... 24

(Note: Dealers whose annual sales are less than 1,000 lbs. are exempt from payment of the tax.) Tax payable November 1.

3. All other dealers in Tobacco; when the annual receipts of any tobacco dealer exceed \$200, he shall pay an annual tax of \$4.80 for each store, shop or other place where tobacco is sold. Tax payable November 1.

#### G. AMUSEMENTS.

1. Theaters, Museums and Concert Halls; subject to an annual tax to be collected by Collectors of Internal Revenue, based on seating capacity, as follows:

Seating capacity 250 persons and under..... \$25

Seating capacity between 250 and 500 persons 50

Seating capacity between 500 and 800 persons 75

Seating capacity above 800 persons..... 100

When theaters are under lease, the tax is payable by the lessee unless the contract specifically provides otherwise. Tax payable November 1.

2. Circuses; subject to an annual tax of \$100, "provided, that no special tax paid in one State, Territory, or the District of Columbia shall exempt exhibitions from the tax in another State, Territory, or District of Columbia \* \* \*" Tax payable November 1.

3. Other Public Exhibitions and Shows; subject to a tax of \$10, to be collected by the Collector of Internal Revenue; with the same provision applicable as in the foregoing paragraph relating to Circuses. Tax payable November 1.

(Note: Chautauquas, lecture lyceums, agricultural or industrial fairs or exhibitions held under the auspices of religious or charitable organizations are exempt from payment of the tax.)

4. Bowling Alleys and Billiard Rooms; where open to the public with or without price, the proprietor thereof is subject to a tax of \$5 for each alley and for each pool or billiard table used; tax payable November 1.

#### **D. TOILET PREPARATIONS.**

1. **Cosmetics and Perfumes;** from and after December 1, toilet preparations when sold or offered for sale must bear stamps, graduated as follows:

Packages retailing for 5 cents or under..  $\frac{1}{8}$  cent  
Packages retailing for from 5 to 10 cents  $\frac{1}{4}$  cent  
Packages retailing for from 10 to 15 cents  $\frac{3}{8}$  cent  
Packages retailing for from 15 to 25 cents  $\frac{1}{2}$  cent  
For each additional 25 cents on retail price  $\frac{5}{8}$  cent

In order to facilitate the collection of this tax, the Act requires each manufacturer of such articles to file a sworn statement every month, in which he certifies that adhesive stamps denoting payment of the tax have been affixed to all products leaving his establishment. Retailers are made liable for the tax on their stock, as sold or offered for sale after December 1.

2. **Chewing Gum;** from and after December 1, all packages containing chewing gum of the retail value of \$1.00 or under must be stamped with a 4-cent stamp; for each additional \$1.00 there must be affixed an additional 4-cent stamp.

### **"TAXES ON COMMERCE."**

#### **A. VOCATIONS AFFECTED.**

1. **Bankers;** annual tax of \$1.00 on each \$1,000 of capital used or employed. The tax affects all banks, whether national or state, incorporated or private, with the exception of Postal Savings Banks, and savings banks having no capital stock and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors. The amount of the tax shall be computed on the basis of the capital, surplus and undivided profits for the preceding fiscal year. The tax is payable to the Collector of Internal Revenue on November 1.
2. **Brokers;** subject to a tax of \$30, payable to Collector of Internal Revenue November 1. The Act provides that "every person, firm or company, whose business it is to negotiate purchases or sales of stock, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker; provided, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker."
3. **Pawn-Brokers;** subject to an annual tax of \$50, payable to the Collector of Internal Revenue on November 1.
4. **Commercial Brokers;** subject to an annual tax of \$20, payable to the Collector of Internal Revenue on November 1. The Act describes as a commercial broker any "person, firm or company whose business it is as a

broker to negotiate sales or purchases of goods, wares, produce or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consigners or consignees of freight carried by vessels."

5. Customhouse Brokers; subject to an annual tax of \$10, payable to the Collector of Internal Revenue on November 1. A Customhouse Broker is described in the Act as any "person, firm or company whose occupation it is, as the agent of others, to arrange entries and other customhouse papers, or transact business at any port of entry relating to the importation or exportation of goods, wares, or merchandise."
6. Commission Merchants; subject to annual tax of \$20, payable to the Collector of Internal Revenue November 1. The Act describes as a Commission Merchant "every person, firm or company whose business or occupation it is to receive into his or its possession any goods, wares or merchandise to sell the same on commission . . . provided, that any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant; provided further, that this provision shall not apply to commission houses run upon a co-operative plan."

#### B. INSTRUMENTS OF BUSINESS.

Stamp taxes shall apply to the following instruments of business, in the amounts named below; this provision of the Act to be in force on and after December 1:

Agreements of sale of products or merchandise on any exchange or board of trade, per \$100 .....	\$ .01
Agreements to sell, as above.....	.01
Bills of Lading, on each document.....	.01
Bills of Sale of products or merchandise on any exchange, per \$100.....	.01
Bonded warehouse withdrawals, each.....	.50
Bonds, debentures or certificates of indebtedness, on each \$100 of face value issued....	.05
Brokers' notes or memoranda of sales, each..	.10
Certificates of damage, and all certificates issued by port warden or marine surveyor, each .....	.25
Certificates of profits, on each \$100 of face value .....	.02
Certificates other than those named, but required by law to be issued, each.....	.10
Conveyances of Real Estate (exclusive of encumbrances):	
More than \$100 and less than \$500.....	.50
On each additional \$500 value.....	.50

Customhouse entries:

Not exceeding \$100 in value.....	.25
Exceeding \$100, but not exceeding \$500....	.50
Exceeding \$500 .....	1.00
Indemnity Bonds, each.....	.50
Insurance policies (Note several important exceptions in text):	
On each \$1.00 premium.....	.005
Manifests, each .....	.01
Power of Attorney, for voting stock, each....	.10
Power of Attorney, for all other purposes, each	.25
Promissory notes and renewals thereof, on each \$100 .....	.02
Protests, each .....	.10
Shipping Receipts, each .....	.01
Stock certificates, on each original issue, per \$100 .....	.05
Stock Sales, or agreements to sell; deliveries or transfers, whether physical transfers or otherwise, per \$100.....	.02

The Act requires the issuance and use of the several instruments taxed, in order that the stamps may be affixed thereto; and provides a penalty for failure to execute such instruments when the transactions they represent are made.

In the case of the tax on bonds, debentures and certificates of indebtedness, it is expressly provided that State, county, town and municipal corporation bonds, and also that the stock and bonds issued by co-operative building and loan associations, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their share-holders, shall be exempt.

**C. TRANSPORTATION.**

- 1. Pullman Car Tickets;** there shall be affixed to each palace car or parlor car seat ticket, and to each sleeping car berth ticket a stamp, at the rate of 1 cent for each ticket, paid by company selling same.
- 2. Steamer Tickets to Foreign Ports;** a stamp tax on steamer tickets is provided in the Act, graded as follows:  
 Tickets costing between \$10 and \$30.... \$1.00  
 Tickets costing between \$30 and \$60.... 3.00  
 Tickets costing more than \$60..... 5.00
- 3. Telephone and Telegraph Messages;** for each message on which the tolls amount to 15 cents, there shall be collected by the company transmitting the same 1 cent. Within 30 days after the expiration of each month, a sworn statement must be filed with the Collector of Internal Revenue in each district by the telegraph or tele-



phone companies operating therein, giving the number of such messages sent and the amount of tax collected, which amount the companies are required to pay to the Collectors in the several districts.

(Note: Telegrams and messages of railroad, telegraph and telephone companies, which concern the affairs and service of their business, are exempted from the tax, as are the official messages of Government officers.)

**PENALTIES FOR VIOLATIONS.**

The customary penalties for evasion of the tax, and for the misuse or mutilation of the stamps required to be used, are provided in the Act.

## AN ACT TO INCREASE THE INTERNAL REVENUE AND FOR OTHER PURPOSES

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*Be it Enacted by the Senate and House of Representatives of the United States of America in Congress Assembled:*

### **Beer.**

That there shall be levied, collected, and paid in lieu of the tax of \$1 now imposed by law, a tax of \$1.50 on all beer, lager beer, ale, porter, and other similar fermented liquor, brewed or manufactured and sold, or stored in warehouse, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, for every barrel containing not more than thirty-one gallons; and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law. And section thirty-three hundred and thirty-nine of the Revised Statutes is hereby amended accordingly: *Provided*, That the additional tax imposed in this section on all fermented liquors stored in warehouse to which a stamp has been affixed shall be assessed and collected in the manner now provided by law for the collection of taxes not paid by stamp: *Provided further*, That until appropriate stamps are prepared and furnished, the stamps heretofore used to denote the payment of the internal-revenue tax on fermented liquor may be stamped or imprinted with a suitable device to denote the new rate of tax herein imposed and shall be affixed to all packages containing such liquors on which the tax imposed by this Act is paid. Any person having possession of unaffixed stamps heretofore issued for the payment of the tax on fermented liquors shall present the same to the collector of the district, who shall receive them at the price paid for such stamps by the purchaser and issue in lieu thereof new or imprinted stamps at the rate provided in this Act.

### **Still Wines.**

Sec. 2. That upon all still wines, domestic and imported, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: On each bottle containing one-fourth pint or less, one-fourth cent; on each bottle containing more than one-fourth pint and not more than one-half pint, one-half cent; on each bottle containing more than one-half pint and not more than one pint, 1 cent; and on each bottle containing more than one pint and not more than one quart, 2 cents; and on still wines in all other containers, not herein



specially provided for, the tax shall be at the rate of 3 cents per gallon.

#### Sparkling Wines.

That upon all domestic and imported champagne and other sparkling wines, and upon all artificially carbonated wines, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: Upon each bottle containing one-half pint or less, 5 cents; on each bottle containing more than one-half pint and not more than one pint, 10 cents; on each bottle containing more than one pint and not more than one quart, 20 cents; and on all other containers at the rate of 20 cents per quart; and on all liqueurs, cordials, or similar compounds, domestic and imported, by whatever name sold or offered for sale, there shall be levied and collected a tax on each bottle containing not more than one-half pint, 1½ cents; more than one-half pint and not more than one pint, 3 cents; more than one pint and not more than one quart, 6 cents; and on larger containers a tax at the rate of 24 cents per gallon.

#### Liqueurs.

All of the taxes imposed in the preceding paragraphs of this section shall be paid by stamps to be affixed to each bottle or container in which such still wines, champagne wines, carbonated wines, liqueurs, or cordials or similar compounds are sold or offered for sale: *Provided*, That when such still wines, champagne wines, carbonated wines, liqueurs, cordials, or similar compounds, taxable under the provisions of this section, are sold or delivered by the producer, importer, or dealer in wholesale quantities to other dealers, including rectifiers, manufacturing chemists, and druggists, the dealer receiving and selling, or offering the same for sale or consumption to any person other than a dealer, shall affix thereto the stamps hereinbefore prescribed: *And provided further*, That the stamp tax herein imposed shall not be collected on any still wine used by any rectifier, manufacturing chemist, or druggist in the manufacture of any liqueur, cordial, or compound subject to any internal-revenue tax imposed by this Act.

The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps denoting the tax herein imposed, to be affixed and canceled in such manner as he, with the approval of the Secretary of the Treasury, may prescribe; and in the absence of such stamps from any bottle or container containing wine, liqueur, cordial, or compound taxable under the provisions of this section, sold or offered for sale or consumption, shall be *prima facie* evidence that the tax thereon has not been paid, and all such wines, liqueurs, cordials or compounds shall be forfeited to the United States.

#### Brandy Spirits.

There shall be levied and assessed against the maker or producer of all wines fortified under the provisions and conforming to the requirements of the sections of the tariff Act of October

first, eighteen hundred and ninety, relating to the fortification of pure sweet wines, as amended, and as further amended by this Act, a tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines: *Provided, however,* That the maker or producer of such fortified wines, shall, under regulations and suitable bonds, to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, have assessed against him monthly the said tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him during the preceding month, which assessment shall be paid within ninety days from the date of notice thereof: *Provided further,* That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this section.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all necessary regulations to make effective the provisions of this section.

#### **Regulating Use of Brandy Spirits.**

That sections forty-two, forty-three, forty-five, forty-six, and forty-nine of the Act of October first, eighteen hundred and ninety, as amended by section sixty-eight of an Act approved August twenty-eighth, eighteen hundred and ninety-four, and by an Act approved June seventh, nineteen hundred and six, are further amended to read as follows:

"Sec. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations, and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section thirty-three hundred and nine of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this Act: *Provided,* That such wine containing after fortification more than twenty-four per centum of alcohol, as defined by section thirty-two hundred and forty-nine of the Revised Statutes, shall be forfeited to the United States.

"Sec. 43. That the wine spirits mentioned in section forty-two of this Act is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues, commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may

be fortified with wine spirits under the provisions of this Act is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided*, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification provided in this Act, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however*, That the cane or beet sugar, or pure dextrose sugar so used shall not be in excess of eleven per centum of the weight of the wine to be fortified under this Act: *And provided further*, That the addition of water herein authorized shall be under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: *Provided, however*, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this Act, where the same, after fermentation and before fortification, have an alcoholic strength of less than five per centum of their volume.

"Sec. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this Act may withdraw wine spirits from any special bonded warehouse in original packages or from any registered distillery in any quantity not less than eighty wine gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so

fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this Act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wines so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

#### Withdrawals from Warehouses.

"Sec. 46. That wine spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of foreign markets, when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification, under such regulations, and after making such entries, and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine spirits free of tax otherwise than in the fortification of wine intended for exportation and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal and use of wine spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to the approval of the Secretary of the Treasury, to prescribe that wine spirits intended for the fortification of wines under this section shall not be introduced into such wines except under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever transportation of such wine is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place

where such wine spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines: *Provided*, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this Act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of exportation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above fourteen per centum thereof.

#### **Recovery of Brandy Spirits.**

"Sec. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled wine spirits: *Provided*, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such wines shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above fourteen per centum thereof."

That section three and section six of the Act of June seventh, nineteen hundred and six, amending the laws relating to the fortification of pure sweet wines, are hereby amended to read as follows:

#### **Administrative Detail.**

"Sec. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to

be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed \$5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed \$2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid Act of October first, eighteen hundred and ninety, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

#### **Penalty.**

"Sec. 6. That any person who by any process recovers from wines fortified under the provisions of the aforesaid Act approved October first, eighteen hundred and ninety, as amendments thereto, any brandy or wine spirits used in the manufacture or fortification of said wine, otherwise than is provided for in said Act and its amendments, or who shall rectify, mix, or compound with distilled spirits or other materials, except as provided in this Act, such grape brandy, fortified wines, or wine spirits unlawfully recovered therefrom, shall, on conviction, be punished for each such offense by a fine of not less than \$200 nor more than \$1,000. But the provisions of this section and the provisions of section thirty-two hundred and forty-four of the Revised Statutes of the United States, as amended, relating to rectification, or other internal revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of pure sweet wines fortified under the provisions of this Act with each other or with other wines: *Provided*, That the pure sweet wines fortified under the provisions of this Act may be used in the manufacture of cordials, liqueurs, and similar compounds on which an internal revenue tax of 24 cents a gallon is imposed, and otherwise the provision of section thirty-two hundred and forty-four of the Revised Statutes of the United States shall remain in full force and effect."

#### **Special Taxes.**

Sec. 3. That on and after November first, nineteen hundred and fourteen, special taxes shall be, and hereby are, imposed annually as follows, that is to say:

#### **Bankers.**

First. Bankers shall pay \$1 for each \$1,000 of capital used or employed, and in estimating capital, surplus and undivided profits



where such wine spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines: *Provided*, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this Act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of exportation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above fourteen per centum thereof.

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"Sec. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled wine spirits: *Provided*, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such wines shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above fourteen per centum thereof."

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#### **Administrative Detail.**

"Sec. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to

be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed \$5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed \$2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid Act of October first, eighteen hundred and ninety, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

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#### **Special Taxes.**

Sec. 3. That on and after November first, nineteen hundred and fourteen, special taxes shall be, and hereby are, imposed annually as follows, that is to say:

#### **Bankers.**

First. Bankers shall pay \$1 for each \$1,000 of capital used or employed, and in estimating capital, surplus and undivided profits

shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every person, firm, or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this Act: *Provided*, That any postal savings bank, or savings bank having no capital stock, and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

#### **Brokers.**

Second. Brokers shall pay \$30. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: *Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker.

#### **Pawnbrokers.**

Third. Pawnbrokers shall pay \$50. Every person, firm, or company whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be deemed a pawnbroker.

#### **Commercial Brokers.**

Fourth. Commercial brokers shall pay \$20. Every person, firm, or company whose business it is as a broker to negotiate sales or purchases of goods, wares, produce, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a commercial broker under this Act.

#### **Customhouse Brokers.**

Fifth. Customhouse brokers shall pay \$10. Every person, firm, or company whose occupation it is, as the agent of others, to arrange entries and other customhouse papers, or transact business at any port of entry relating to the importation or exportation of goods, wares, or merchandise, shall be regarded as a customhouse broker.

#### **Theaters.**

Sixth. Proprietors of theaters, museums, and concert halls where a charge for admission is made, having a seating capacity of not more than two hundred and fifty, shall pay \$25; having a seating capacity of more than two hundred and fifty and not exceeding five hundred, shall pay \$50; having a seating capacity

exceeding five hundred and not exceeding eight hundred, shall pay \$75; having a seating capacity of more than eight hundred, shall pay \$100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That whenever such edifice is under lease at the passage of this Act the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

#### **Circuses.**

Seventh. The proprietor or proprietors of circuses shall pay \$100. Every building, space, tent, or area where feats of horsemanship or acrobatic sports or theatrical performances not otherwise provided for in this Act are exhibited shall be regarded as a circus: *Provided*, That no special tax paid in one State, Territory, or the District of Columbia shall exempt exhibitions from the tax in another State, Territory, or District of Columbia, and but one special tax shall be imposed for exhibitions within any one State, Territory, or District.

#### **Other Exhibitions and Shows.**

Eighth. Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay \$10; *Provided*, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia: *Provided, further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations.

#### **Bowling Alleys and Billiards.**

Ninth. Proprietors of bowling alleys and billiard rooms shall pay \$5 for each alley or table. Every building or place where bowls are thrown or where games of billiards or pool are played, and that are open to the public with or without price, shall be regarded as a bowling alley or a billiard room, respectively.

#### **Commission Merchants.**

Tenth. Commission merchants shall pay \$20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant: *Provided further*, That this provision shall not apply to commission houses run upon a co-operative plan.

#### **Tobacco Dealers and Manufacturers.**

Sec. 4. That on and after November first, nineteen hundred and fourteen, special taxes on tobacco dealers and manufacturers shall

be and hereby are imposed annually as follows, the amount of such annual taxes to be computed in all cases on the basis of the annual sales for the preceding fiscal year.

Dealers in leaf tobacco whose annual sales or transfers do not exceed fifty thousand pounds shall each pay \$6. Dealers in leaf tobacco whose annual sales or transfers exceed fifty thousand and do not exceed one hundred thousand pounds shall pay \$12, and if their annual sales or transfers exceed one hundred thousand pounds shall pay \$24: *Provided*, That dealers in leaf tobacco whose annual sales or transfers do not exceed one thousand pounds shall be exempt from the tax herein imposed on dealers in leaf tobacco.

Dealers in tobacco, not specially provided for in this section whose annual receipts from the sale of tobacco exceeds \$200, shall each pay \$4.80 for each store, shop, or other place in which tobacco in any form is sold.

Every person whose business it is to sell, or offer for sale, manufactured tobacco, snuff, cigars, or cigarettes shall be regarded as a dealer in tobacco: *Provided*, That no manufacturer of tobacco, snuff, cigars, or cigarettes shall be required to pay a special tax as a dealer in manufactured tobacco, snuff, cigars, or cigarettes for selling his own products at the place of manufacture.

Manufacturers of tobacco whose annual sales do not exceed one hundred thousand pounds shall each pay \$6.

Manufacturers of tobacco whose annual sales exceed one hundred thousand and do not exceed two hundred thousand pounds shall each pay \$12.

Manufacturers of tobacco whose annual sales exceed two hundred thousand and do not exceed four hundred thousand pounds shall each pay \$24.

Manufacturers of tobacco whose annual sales exceed four hundred thousand and do not exceed one million pounds shall each pay \$60.

Manufacturers of tobacco whose annual sales exceed one million and do not exceed five million pounds shall each pay \$300.

Manufacturers of tobacco whose annual sales exceed five million and do not exceed ten million pounds shall each pay \$600.

Manufacturers of tobacco whose annual sales exceed ten million and do not exceed twenty million pounds shall each pay \$1,200.

Manufacturers of tobacco whose annual sales exceed twenty million pounds shall each pay \$2,496.

Manufacturers of cigars whose annual sales do not exceed one hundred thousand cigars shall each pay \$3.

Manufacturers of cigars whose annual sales exceed one hundred thousand and do not exceed two hundred thousand cigars shall each pay \$6.

Manufacturers of cigars whose annual sales exceed two hundred thousand and do not exceed four hundred thousand cigars shall each pay \$12.

Manufacturers of cigars whose annual sales exceed four hundred thousand and do not exceed one million cigars shall each pay \$30.

Manufacturers of cigars whose annual sales exceed one million and do not exceed five million cigars shall each pay \$150.

Manufacturers of cigars whose annual sales exceed five million and do not exceed twenty million cigars shall each pay \$600.

Manufacturers of cigars whose annual sales exceed twenty million and do not exceed forty million cigars shall each pay \$1,200.

Manufacturers of cigars whose annual sales exceed forty million cigars shall each pay \$2,496.

Manufacturers of cigarettes whose annual sales do not exceed one million cigarettes shall each pay \$12.

Manufacturers of cigarettes whose annual sales exceed one million and do not exceed two million cigarettes shall each pay \$24.

Manufacturers of cigarettes whose annual sales exceed two million and do not exceed five million cigarettes shall each pay \$60.

Manufacturers of cigarettes whose annual sales exceed five million and do not exceed ten million cigarettes shall each pay \$120.

Manufacturers of cigarettes whose annual sales exceed ten million and do not exceed fifty million cigarettes shall each pay \$600.

Manufacturers of cigarettes whose annual sales exceed fifty million and do not exceed one hundred million cigarettes shall each pay \$1,200.

Manufacturers of cigarettes whose annual sales exceed one hundred million cigarettes shall each pay \$2,496.

In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer.

#### **Penalty.**

And every person who carries on any business or occupation for which special taxes are imposed by this Act, without having paid the special tax herein provided, shall, besides being liable to the payment of such special tax, be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court: *Provided*, That the special taxes imposed by this Act and payable during the special tax year ending June thirtieth, nineteen hundred and sixteen, shall be collected and paid proportionately for the period during which such taxes shall remain in force during said year.

#### **Stamp Taxes.**

Sec. 5. That on and after the first day of December, nineteen hundred and fourteen, there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of this Act, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed by any person or persons, or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several taxes or sums

of money set down in figures against the same, respectively, or otherwise specified or set forth in the said schedule.

And there shall also be levied, collected, and paid, for and in respect to the preparations, matters, and things mentioned and described in Schedule B of this Act, manufactured, sold, or removed for sale, the several taxes or sums of money set down in words or figures against the same, respectively, or otherwise specified or set forth in Schedule B of this Act.

#### **Penalty.**

Sec. 6. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, without the same being duly stamped for denoting the tax hereby imposed thereon, or without having thereupon an adhesive stamp to denote said tax, such person or persons shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$100, at the discretion of the court.

#### **Counterfeiting Penalties.**

Sec. 7. That if any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have been provided, or may hereafter be provided, made, or used in pursuance of this Act, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression, or any part of the impression, of any such stamp, die, plate, or other instrument, as aforesaid, upon any vellum, parchment, or paper, or shall stamp or mark, or cause or procure to be stamped or marked, any vellum, parchment, or paper with any such forged or counterfeited stamp, die, plate, or other instrument, or part of any stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed, or any part thereof; or if any person shall utter, or sell, or expose for sale, any vellum, parchment, paper, article, or thing having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited, or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use or permit the use of any stamp, die, plate, or other instrument, which shall have been so provided, made, or used as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument which shall have been provided, made, or used in pursuance of this Act from any vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed, to, with, or upon any vellum, parchment, paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any

adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall willfully remove or cause to be removed, alter or cause to be altered, the canceling or defacing marks of any adhesive stamp with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or willfully sell or buy such washed or restored stamp, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamp which has been removed from any vellum, parchment, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and willfully aiding, abetting, or assisting in committing any such offenses as aforesaid shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall forfeit the said counterfeit stamps and the articles upon which they are placed, and shall be punished by fine not exceeding \$1,000, or by imprisonment and confinement at hard labor not exceeding five years, or both, at the discretion of the court.

#### **Proper Use of Stamps.**

Sec. 8. That in any and all cases where an adhesive stamp shall be used for denoting any tax imposed by this Act, except as hereinafter provided, the person using or affixing the same shall write or stamp thereupon the initials of his name and the date upon which the same shall be attached or used, so that the same may not again be used. And if any person shall fraudulently make use of an adhesive stamp to denote any tax imposed by this Act without so effectually canceling and obliterating such stamp, except as before mentioned, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$500, or be imprisoned not more than six months, or both, at the discretion of the court: *Provided*, That instead of cancellation by initials and date, the stamps on the articles enumerated in Schedule B shall be so affixed on the box, bottle, or package that in opening the same, or using the contents thereof, the said stamp shall be effectually destroyed; and in default thereof the party making default shall be liable to the same penalty imposed for neglect to affix said stamp as hereinbefore prescribed in this Act.

#### **Penalty.**

Sec. 9. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, or shall accept or pay, or cause to be accepted or paid, with design to evade the payment of any stamp tax, any promissory note liable to any of the taxes imposed by this Act, without the same being duly stamped, or



having thereupon an adhesive stamp for denoting the tax hereby charged thereon, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$200, at the discretion of the court.

#### **Administrative Detail.**

Sec. 10. That the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States or designated depository thereof, or any postmaster located in their collection districts, respectively, a suitable quantity of adhesive stamps, without prepayment therefor, and may in advance require of any designated depository, assistant treasurer of the United States, or postmaster a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. And it shall be the duty of such collectors to supply their deputies with, or sell to other parties within their respective districts who may make application therefor, adhesive stamps, upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations, not inconsistent herewith, for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient. And the Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safekeeping or prevent the illegal use of all such adhesive stamps.

#### **Violations Due to Mistake.**

Sec. 11. That any person or persons who shall register, issue, sell, or transfer, or who shall cause to be issued, registered, sold, or transferred, any instrument, document, or paper of any kind or description whatsoever mentioned in Schedule A of this Act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this Act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$50, or by imprisonment not exceeding six months, or both, in the discretion of the court: *Provided*, That hereafter, in all cases where the party has not affixed to any instrument the stamp required by law thereon at the time of issuing, selling, or transferring the said bonds, debentures, or certificates of stock or of indebtedness, and he or they, or any party having an interest therein, shall be subsequently desirous of affixing such stamp to said instrument, or, if said instrument be lost, to a copy thereof, he or they shall appear before the collector of internal revenue of the proper district, who shall, upon the payment of the price of the proper stamp required by law, and of a penalty of \$10, and, where the whole amount of

the tax denoted by the stamp required shall exceed the sum of \$50, on payment also of interest, at the rate of six per centum, on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such bond, debenture, certificate of stock or of indebtedness or copy, and note upon the margin thereof the date of his so doing, and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued: *And provided further*, That where it shall appear to said collector, upon oath or otherwise, to his satisfaction, that any such instrument has not been duly stamped, at the time of making or issuing the same, by reason of accident, mistake, inadvertence, or urgent necessity, and without any willful design to defraud the United States of the stamp, or to evade or delay the payment thereof, then and in such case, if such instrument, or, if the original be lost, a copy thereof, duly certified by the officer having charge of any records in which such original is required to be recorded, or otherwise duly proven to the satisfaction of the collector, shall, within twelve calendar months after the making or issuing thereof, be brought to the said collector of internal revenue to be stamped, and the stamp tax chargeable thereon shall be paid, it shall be lawful for the said collector to remit the penalty aforesaid and to cause such instrument to be duly stamped. And when the original instrument, or a certified or duly proven copy thereof, as aforesaid, duly stamped so as to entitle the same to be recorded, shall be presented to the clerk, register, recorder, or other officer having charge of the original record, it shall be lawful for such officer, upon the payment of the fee legally chargeable for the recording thereof, to make a new record thereof, or to note upon the original record the fact that the error or omission in the stamping of said original instrument has been corrected pursuant to law; and the original instrument or such certified copy, or the record thereof, may be used in all courts and places in the same manner and with like effect as if the instrument had been originally stamped: *And provided further*, That in all cases where the party has not affixed the stamp required by law upon any such instrument issued, registered, sold, or transferred at a time when and at a place where no collection district was established, it shall be lawful for him or them, or any party having an interest therein, to affix the proper stamp thereto, or, if the original be lost, to a copy thereof. But no right acquired in good faith before the stamping of such instrument, or copy thereof, as herein provided, if such record be required by law, shall in any manner be affected by such stamping as aforesaid.

#### **Recordation of Unstamped Papers Prohibited.**

Sec. 12. That hereafter no instrument, paper, or document required by law to be stamped, which has been signed or issued without being duly stamped, or with a deficient stamp, nor any copy thereof, shall be recorded until a legal stamp or stamps,

denoting the amount of tax, shall have been affixed thereto, as prescribed by law: *Provided*, That any bond, debenture, certificate of stock, or certificate of indebtedness issued in any foreign country shall pay the same tax as is required by law on similar instruments when issued, sold, or transferred in the United States; and the party to whom the same is issued, or by whom it is sold or transferred, shall, before selling or transferring the same, affix thereon the stamp or stamps indicating the tax required.

#### **Unstamped Documents Are Illegal.**

Sec. 13. That it shall not be lawful to record or register any instrument, paper, or document required by law to be stamped unless a stamp or stamps of the proper amount shall have been affixed and canceled in the manner prescribed by law.

Sec. 14. That no instrument, paper, or document required by law to be stamped shall be deemed or held invalid and of no effect for the want of a particular kind or description of stamp designated for and denoting the tax charged on any such instrument, paper, or document, provided a legal documentary stamp or stamps denoting a tax of equal amount shall have been duly affixed and used thereon.

#### **Exceptions to Bond Tax.**

Sec. 15. That all bonds, debentures, or certificates of indebtedness issued by the officers of the United States Government, or by the officers of any State, county, town, municipal corporation, or other corporation exercising the taxing power, shall be, and hereby are, exempt from the stamp taxes required by this Act: *Provided*, That it is the intent hereby to exempt from the stamp taxes imposed by this Act such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental, taxing, or municipal capacity: *Provided further*, That stock and bonds issued by co-operative building and loan associations, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their shareholders, shall be exempt from the tax herein provided.

Sec. 16. That all the provisions of this Act relating to dies, stamps, adhesive stamps, and stamp taxes shall extend to and include (except where manifestly inapplicable) all the articles or objects enumerated in Schedule B, subject to stamp taxes, and apply to the provisions in relation thereto.

#### **Tax on Cosmetics.**

Sec. 17. That on and after December first, nineteen hundred and fourteen, any person, firm, company, or corporation that shall make, prepare, and sell, or remove for consumption or sale, perfumery, cosmetics, preparations, compositions, articles, or things upon which a tax is imposed by this Act, as provided for in Schedule B, without affixing thereto an adhesive stamp or label denoting the tax before mentioned shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of

not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court.

**Penalties.**

Sec. 18. That any manufacturer or maker of any of the articles for sale mentioned in Schedule B, after the same shall have been so made, and the particulars hereinbefore required as to stamps have been complied with, or any other person who shall take off, remove, or detach, or cause, or permit, or suffer to be taken off, or removed or detached, any stamp, or who shall use any stamp, or any wrapper or cover to which any stamp is affixed, to cover any other article or commodity than that originally contained in such wrapper or cover, with such stamp when first used, with the intent to evade the stamp duties, shall for every such article, respectively, in respect of which any such offense shall be committed, be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court, and every such article or commodity as aforesaid shall also be forfeited.

Sec. 19. That any maker or manufacturer of any of the articles or commodities mentioned in Schedule B, as aforesaid, or any other person who shall sell, send out, remove, or deliver any article or commodity, manufactured as aforesaid, before the tax thereon shall have been fully paid by affixing thereon the proper stamp, as in this Act provided, or who shall hide or conceal, or cause to be hidden or concealed, or who shall remove or convey away, or deposit, or cause to be removed or conveyed away from or deposited in any place, any such article or commodity, to evade the tax chargeable thereon, or any part thereof, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court, together with the forfeiture of any such article or commodity: *Provided*, That articles upon which stamp taxes are required by this Act may, when intended for exportation, be manufactured and sold or removed without having stamps affixed thereto, and without being charged with tax as aforesaid; and every manufacturer or maker of any article as aforesaid, intended for exportation, shall give such bonds and be subject to such rules and regulations to protect the revenue against fraud as may be from time to time prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

**Manufacturers Must Make Declarations.**

Sec. 20. That every manufacturer or maker of any of the articles or commodities provided for in Schedule B, or his foreman, agent, or superintendent shall at the end of each and every month make, sign, and file with the collector of internal revenue for the district in which he resides a declaration in writing that no such article or commodity has, during such preceding month or time when the last declaration was made, been re-

moved, or carried, or sent, or caused or suffered or known to have been removed, carried, or sent from the premises of such manufacturer or maker other than such as have been duly taken account of and charged with the stamp tax, on pain of such manufacturer or maker forfeiting for every refusal or neglect to make such declaration \$100; and if any such manufacturer or maker, or his foreman, agent, or superintendent, shall make any false or untrue declaration, such manufacturer or maker, or foreman, agent, or superintendent making the same shall be deemed guilty of a misdemeanor, and upon conviction shall pay a fine of not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court.

#### **Retailers Also Liable.**

Sec. 21. That the stamp taxes prescribed in this Act on the articles provided for in Schedule B shall attach to all such articles and things sold or removed for sale thirty days after the approval of this Act. Every person, except as otherwise provided in this Act, who offers or exposes for sale any article or thing provided for in said Schedule B, whether the article so offered or exposed is of foreign manufacture and imported or of domestic manufacture, shall be deemed the manufacturer thereof, and shall be subject to all the taxes, liabilities, and penalties imposed by law for the sale of articles without the use of the proper stamp denoting the tax paid thereon; and all such articles of foreign manufacture shall, in addition to the import duty imposed on the same, be subject to the stamp tax prescribed in this Act: *Provided further*, That internal revenue stamps required by existing law on imported merchandise shall be affixed thereto and canceled at the expense of the owner or importer before the withdrawal of such merchandise for consumption, and the Secretary of the Treasury is authorized to make such rules and regulations as may be necessary for the affixing and canceling of such stamps, not inconsistent herewith.

#### **Administrative Detail.**


Sec. 22. That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this Act suitable stamps denoting the tax on the document, article, or thing to which the same may be affixed, and he is authorized to prescribe such method for the cancellation of said stamps, as substitute for or in addition to the method provided in this Act, as he may deem expedient. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to procure any of the stamps provided for in this Act by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on the first day of November, nineteen hundred and fifteen, except as to imprinted stamps furnished under contract, authorized by the Commissioner of Internal Revenue. That the adhesive stamps used in the payment of the tax levied in Schedules A and B of this Act shall be furnished for sale by the several collectors of internal revenue,

who shall sell and deliver them at their face value to all persons applying for the same, except officers or employees of the Internal-Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than \$100 face value, with a discount of one per centum, except as otherwise provided in this Act.

## SCHEDULE A.

### Stamp Tax on Bonds and Stock.

Bonds, debentures, or certificates of indebtedness issued on and after the first day of December, nineteen hundred and fourteen, by any association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each \$100 of face value or fraction thereof, 2 cents: *Provided*, That it is not intended by this Act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited: *Provided further*, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. And any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale, or who shall in pursuance of any such sale deliver any such stock, or evidence of the sale of any such stock or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall



pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

#### **Agreements of Sale.**

Upon each sale, agreement of sale, or agreement to sell, any products or merchandise at any exchange, or board of trade, or other similar place, either for present or future delivery, for each \$100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional \$100 or fractional part thereof in excess of \$100, 1 cent: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale or agreement of sale, or agreement to sell, or who shall, in pursuance of any such sale, agreement of sale, or agreement to sell, deliver any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, or who shall deliver such bill, memorandum, or other evidence of sale, or agreement to sell, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court. That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of products or merchandise actually delivered at the time of sale or while in vessel, boat, or car, and actually in course of transportation, shall be subject to this tax, provided such bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell shall be accompanied by bills of lading or vouchers showing that the said products are actually in course of transportation as aforesaid.

#### **Promissory Notes.**

Promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding \$100, 2 cents; and for each additional \$100 or fractional part thereof in excess of \$100, 2 cents.

#### **Bills of Lading.**

Express and freight: It shall be the duty of every railroad or steamboat company, carrier, express company, or corporation or person whose occupation is to act as such, to issue to the shipper or consignor, or his agent, or person from whom any goods are accepted for transportation where a charge exceeding

5 cents is made a bill of lading, manifest, or other evidence of receipt and forwarding for each shipment received for carriage and transportation, whether in bulk or in boxes, bales, packages, bundles, or not so inclosed or included; and such shipper, consignor, agent, or person shall duly attach and cancel, as is in this Act provided, to each of said bills of lading, manifests, or other memorandum, a stamp of the value of 1 cent: *Provided*, That a consignment of newspapers to any one point or to different points by the same train or conveyance when inclosed in one general bundle at the point of shipment shall be considered as one shipment; and, in lieu of a bill of lading therefor, the publisher of such newspaper shall file on or before the fifteenth day of each month with the collector of internal revenue for the district in which such newspaper is published a report under oath showing the number of such shipments during the preceding month, to which report such publisher shall affix and cancel stamps equal in value to 1 cent for each shipment so reported: *Provided further*, That the report herein required shall not include shipments of newspapers delivered to points within the county in which the same are published. Any failure to issue such bill of lading, manifest, or other memorandum, as herein provided, shall subject such railroad or steamboat company, carrier, express company, or corporation or person to a penalty of \$50 for each offense.

#### Telegraph and Telephone Messages.

Telegraph or telephone messages: It shall be the duty of every person, firm, or corporation owning or operating any telegraph or telephone line or lines to make within thirty days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the person paying for the message or the conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts: *Provided*, That only one payment of said tax shall be required, notwithstanding the lines of one or more persons, firms, or corporations shall be used for the transmission of each of said messages or conversations: *Provided further*, That the messages or dispatches of the officers and employees of any telegraph or telephone company concerning the affairs and service of the company, and like messages or dispatches of the officials and employees of railroad companies sent over the wires on their respective railroads shall be exempt from this requirement: *And provided further*, That messages of officers and employees of the Government on official



business shall be exempt from the taxes herein imposed upon telegraphic and telephonic messages.

**Indemnity Bonds.**

**Bond:** For indemnifying any person or persons, firm, or corporation who shall have become bound or engaged as surety for the payment of any sum of money, or for the due execution or performance of the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents.

**Certificates.**

**Certificate of profits,** or any certificate or memorandum showing an interest in the property or accumulations of any association, company, or corporation, and on all transfers thereof, on each \$100 of face value or fraction thereof, 2 cents.

**Certificate:** Any certificate of damage, or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such, 25 cents.

**Certificate of any description** required by law not otherwise specified in this Act, 10 cents.

**Contracts to Buy and Sell.**

**Contract:** Broker's note, or memorandum of sale of any goods or merchandise, stocks, bonds, exchange, notes of hand, real estate, or property of any kind or description issued by brokers or persons acting as such, for each note or memorandum of sale, not otherwise provided for in this Act, 10 cents.

**Conveyances and Deeds.**

**Conveyance:** Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance thereon, exceeds \$100 and does not exceed \$500, 50 cents; and for each additional \$500 or fractional part thereof in excess of \$500, 50 cents. *Provided,* That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

**Customhouse Entries.**

**Entry of any goods, wares, or merchandise** at any custom house, either for consumption or warehousing, not exceeding \$100 in value, 25 cents; exceeding \$100 and not exceeding \$500 in value, 50 cents; exceeding \$500 in value, \$1.

**Entry for the withdrawal of any goods or merchandise** from customs bonded warehouse, 50 cents.

**Insurance Premiums and Exceptions.**

**Insurance:** Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including

rents or profits) whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That purely co-operative or mutual fire insurance companies or associations carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: *Provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance, except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting, also, workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit, and each bond undertaking or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any liability, fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof.

#### **Passenger Steamship Tickets.**

Passage ticket for each passenger, sold in the United States for passage by any vessel to a foreign port or place, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5; *Provided*, That such passage tickets, costing \$10 or less, shall be exempt from taxation.

#### **Power of Attorney.**

Power of attorney or proxy for voting at any election for officers of any incorporated company or association, except religious, charitable, or literary societies, or public cemeteries, 10 cents.

Power of attorney to sell and convey real estate, or to rent or lease the same, to receive or collect rent, to sell or transfer any stock, bonds, scrip, or for the collection of any dividends or interest thereon, or to perform any and all other acts not hereinbefore specified, 25 cents: *Provided*, That no stamps shall be required upon any papers necessary to be used for the collection of claims from the United States for pensions, back pay, bounty, or for property lost in the military or naval service.

#### **Protest.**

Protest: Upon the protest of every note, bill of exchange, acceptance, check or draft, or any marine protest, whether protested

by a notary public or by any other officer who may be authorized by the law of any State or States to make such protest, 25 cents.

**Parlor and Sleeping Car Tickets.**

Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 1 cent, to be paid by the company selling the same.

**SCHEDULE B.**

**Toilet Preparations.**

Perfumery and cosmetics and other similar articles: For and upon every packet, box, bottle, pot, phial, or other inclosure containing any essence, extract, toilet water, cosmetic, vaseline, petrolatum, hair oil, pomade, hair dressing, hair restorative, hair dye, tooth wash, dentifrice, tooth paste, aromatic cachous, or any similar substance or article, by whatsoever name the same heretofore have been, now are, or may hereafter be called, known, or distinguished, used, or applied as perfumes or as cosmetics, and sold or removed for consumption and sale in the United States, where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall not exceed at the retail price or value the sum of 5 cents, one-eighth of 1 cent.

Where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall exceed the retail price or value of 5 cents, and shall not exceed the retail price or value of 10 cents, two-eighths of 1 cent.

Where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall exceed the retail price or value of 10 cents and shall not exceed the retail price or value of 15 cents, three-eighths of 1 cent.

Where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall exceed the retail price or value of 15 cents and shall not exceed the retail price or value of 25 cents, five-eighths of 1 cent. And for each additional 25 cents of retail price or value or fractional part thereof in excess of 25 cents, five-eighths of 1 cent.

**Chewing Gum.**

Chewing gum or substitutes therefor: For and upon each box, carton, jar, or other package containing chewing gum of not more than \$1 of actual retail value, 4 cents; if exceeding \$1 of retail value, for each additional dollar or fractional part thereof, 4 cents; under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

That all articles and preparations provided for in this schedule which are in the hands of manufacturers or of wholesale, or retail dealers on and after December first, nineteen hundred and fourteen, shall be subject to the payment of the stamp taxes herein provided for, but it shall be deemed a compliance with this Act as to such articles on hand in the hands of wholesale or retail

dealers as aforesaid who are not the manufacturers thereof to affix the proper adhesive tax stamp at the time the packet, box, bottle, pot, or phial, or other inclosure with its contents is sold at retail.

#### **Allowance for Drawbacks.**

There shall be an allowance of drawback on articles mentioned in Schedule B of this Act on which any internal revenue tax shall have been paid, equal in amount to the stamp tax paid thereon, and no more, when exported, to be paid by the warrant of the Secretary of the Treasury on the Treasurer of the United States, out of any money arising from internal taxes not otherwise appropriated: *Provided*, That no allowance of drawback shall be made for any such articles exported prior to the date this Act becomes effective. The evidence that any such tax has been paid as aforesaid shall be furnished to the satisfaction of the Commissioner of Internal Revenue by the person claiming the allowance of drawback, and the amount shall be ascertained under such regulations as shall be prescribed from time to time by said commissioner, with the approval of the Secretary of the Treasury.

#### **Administrative Provisions.**

Sec. 23. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this Act, and every person, firm, company, corporation, or association liable to any tax imposed by this Act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe, and every such person, firm, company, corporation, or association who evades or attempts to evade any of the taxes imposed by this Act, or shall fail to truly account for and pay all taxes collected by them under this Act, or any regulations issued thereunder, shall be subject to a penalty or double the amount of the taxes evaded or attempted to be evaded or unlawfully withheld, to be assessed and collected as other penalties incurred under internal-revenue laws are assessed and collected; and for the expense connected with the assessment and collection of the taxes provided by this Act there is hereby appropriated \$200,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; \$170,000 to be added to and made a part of the appropriations for "salaries and expenses of collection of internal revenue, nineteen hundred and fifteen; and \$30,000 to the appropriation for paper for internal revenue stamps, nineteen hundred and fifteen."

#### **Self-Repealing December 31, 1915.**

Sec. 24. That the provisions of this Act shall take effect on the day next succeeding the date of its passage, except where otherwise expressly provided: *Provided*, That on the day after the thirty-first day of December, nineteen hundred and fifteen, the taxes levied under this Act shall no longer be levied and collected,

but all taxes arising or accruing before said date shall continue to be collectible under the terms of this Act: *Provided, however,* That on and after the first day of January, nineteen hundred and sixteen, the provisions of section thirty-three hundred and thirty-nine of the Revised Statutes, as amended by an Act approved April twelfth, nineteen hundred and two, imposing a tax on fermented liquors shall not be affected by any limitation as to the levying or collecting of the additional tax imposed by this Act on such fermented liquors, but shall then be in full force and effect on and after the said first day of January, nineteen hundred and sixteen. All stamps provided for in this Act unused after the aforesaid date shall be redeemed from the holder thereof, under such rules as the Secretary of the Treasury may prescribe.

Passed the House of Representatives September 25, 1914.

Attest: SOUTH TRIMBLE, Clerk.

Passed the Senate with amendments October 8 (calendar day, October 17), 1914.

Attest:

JAMES M. BAKER, Secretary.

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